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Report Highlights:

EU will support India's concern on agriculture, *Traders not pleased with mere export participation*, *Cheap farm imports will lead to mass displacement: WSF*, *Bigger ICAR role in GM crops research sought*, *Lankan company plans supermarkets in India*.

Includes PSD Changes: No
Includes Trade Matrix: No
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New Delhi [IN1]
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Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

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EU WILL SUPPORT INDIA'S CONCERN ON AGRICULTURE

While in Delhi, European Union (EU) Trade Commissioner, Pascal Lamy, assured Indian industry leaders that the EU will back India's concerns, especially on the issue of agriculture, at the WTO negotiations. "EU now has a positive approach towards concerns of developing countries. Forthcoming negotiations in Geneva and Hong Kong will now proceed with an understanding that developing countries' concerns will not be overlooked," he said. Confederation of Indian Industry (CII) senior advisor T.K. Bhowmik said the meeting with Mr. Lamy was very positive, and it was likely that "the issue of trade-distorting subsidies in agriculture in the EU will be resolved. But it is unlikely that the EU will dilute its Common Agricultural Policy." (Source: Financial Express, 01/20/04)

TRADERS NOT PLEASED WITH MERE EXPORT PARTICIPATION

The government views as "historic" its recent decision to allow private trade in the foodgrain procurement and exports business. But traders aren't as pleased. They argue that nothing will change on the ground unless the state governments reform the agricultural marketing policy to permit traders to procure directly from farmers. Existing state legislations not only require that grain be sold by farmers in the regulated *mandis* (market yards), but also that buyers should buy only from a local *mandi* and should adhere to all the various storage control orders at the state level. "There really aren't even the vestiges of infrastructure in place on the ground to allow traders to procure foodgrain directly for exports or to store them. Nor is there likely to be any such infrastructure in place in the near future," a leading rice exporter said. (Source: Economic Times, 01/22/03)

CHEAP FARM IMPORTS WILL LEAD TO MASS DISPLACEMENT: WSF

At the World Social Forum 2004 in Mumbai, farmers and activists from around the world said they oppose agriculture being included in the World Trade Organization negotiations. Cheap farm imports could be responsible for the displacement of the largest number of people in India in the coming years, according to Mr. Devinder Sharma of the Forum for Biotechnology and Food Security. "By 2010, the rural population migrating to cities in India would be four times the population of the United Kingdom", he said. (Source: Business Line, 01/18/04)

BIGGER ICAR ROLE IN GM CROPS RESEARCH SOUGHT

Agricultural scientists are reportedly lobbying the government to streamline testing and evaluation procedures for genetically engineered crops to include a larger role for the Indian Council of Agricultural Research (ICAR). Dr. R.S. Paroda, Chairman of a think-tank, Trust for Advancement of Agricultural Sciences, said that they have come up with a series of recommendations to this effect. He said that there are several subjects of interest in agricultural biotech regulation that need immediate attention: revising the Seed Act, encouraging public-private partnership to develop and commercially exploit transgenics at a faster pace, examining intellectual property rights issues, and establishing a single point

testing for genetically engineered crops for speedier approval and more effective monitoring of trials and experiments. (Source: Times of India 1/17/04)

LANKAN COMPANY PLANS SUPERMARKETS IN INDIA

John Keels Holding Limited, Sri Lanka's largest private company, plans to open supermarkets in India after it completes its plan to expand at home. John Keels has 13 supermarket in Sri Lanka and plans to open 20 more this year. Keels looks to tap into the Indian market with assistance from an Indian partner. India has become more accessible to Sri Lankan businesses after the two countries signed a free trade agreement. (Source: Business Line 1/20/04)

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